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| Aged, Blind and Disabled Manual | Section: Medicare Savings Programs |
| Policy Manual Number: 120.015 | Chapter: Specified Low Income Medicare Beneficiary |

SPECIFIED LOW INCOME MEDICARE BENEFICIARY

Legal Authority: Social Security Act § 1902(a)(10)(E); 42 CFR 435.406; Tenn. Comp. R. & Regs. 1200-13-20

1. Overview

Effective January 1, 1993, Section 4501(b) of the Omnibus Budget Reconciliation Act (OBRA) of 1990 required states to pay Medicare Part B premiums for individuals whose income exceeds QMB standards but is less than a specified higher percentage of the Federal Poverty Level (FPL). The coverage is called Specified Low-Income Medicare Beneficiaries (SLMB).

2. Policy Statement

To be eligible in the SLMB category an individual must be entitled to and receive Medicare Part A, have income that is at least 100% FPL but less than 120% of the FPL, and not have resources over \$9,090 for an individual or \$13,630 for a couple.

3. SLMB Benefits

Medicaid benefits available to SLMB enrollees only include payment of Medicare Part B premiums. If an applicant is approved for SLMB and previously refused Part B coverage, the SLMB approval will automatically establish Part B coverage.

4. SLMB Effective Date

Eligibility begins the date a TennCare application or Low-Income Subsidy (LIS) application is filed or the date all eligibility requirements are met, whichever is later.

5. Non-Financial Eligibility Requirements

a. Medicare Part A (Hospital Insurance)

Individuals must be enrolled in Medicare Part A benefits. Individuals may be either entitled to receive premium-free Medicare Part A, or eligible to purchase Medicare Part A. See the *Medicare Savings Program Overview* policy.

TennCare will use an individual's Social Security Number (SSN) to verify his entitlement to and receipt of Medicare Part A benefits with the SSA.

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b. Age

If an applicant is eligible on the basis of age, then she must be age 65 or older. There is no age limit for individuals who are eligible on the basis of disability.

c. Citizenship

Individuals must be U.S. citizens, U.S. nationals or eligible non-citizens. Individuals are not required to provide documentary evidence of citizenship or national status if they are entitled to or enrolled in any part of Medicare.

d. Enumeration

Individuals must possess and provide a valid SSN or proof of application for an SSN, unless they meet an exception.

e. State Residence

Individuals in this category must be residents of Tennessee.

6. Financial Eligibility Requirements

a. Eligibility Determination Group

The Eligibility Determination Group (EDG) is governed by the principle of Financially Responsible Relatives (FRR) and the applicant/enrollee's living arrangements. See the *ABD Eligibility Determination Group* policy.

b. Income Limit

The income limit for receiving benefits in this category is less than 120% FPL for an individual or couple.

c. Resource Limit

The resource limit for receiving benefits in this category is:

- i.** \$9,090 for an individual; or
- ii.** \$13,630 for a couple.

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d. Cost-of-Living Adjustment (COLA) Disregard

The Social Security Administration (SSA) is responsible for applying COLA to its benefit programs, including Old-Age, Survivors, and Disability Insurance (OASDI), Railroad Retirement Benefits (RRB) and Supplemental Security Income (SSI). If the SSA applies a COLA for a given year, it is applied on January 1st of that year. However, the annual update for FPLs is not typically released until March or April. This can cause individuals who were previously SLMB eligible to become income-ineligible due to their increased Social Security income in the period between the COLA adjustment and the FPL increase.

To address the discrepancy caused by the timing of the COLA and FPL adjustments, SLMB enrollees who become income-ineligible in January are provided with a COLA disregard for the months of January, February, March, and if needed, April. The COLA disregard is equal to the amount of the monthly COLA increase.

e. Budget

Mrs. Daley is 65 years old, receives \$1,200 per month in Social Security benefits and is entitled to and receiving Medicare Part A. Her spouse is 60 years old with deemed monthly earned income of \$400. Mr. Daley does not yet receive Medicare. The couple lives together in their home. Since Mr. Daley's income is deemed to Mrs. Daley, her EDG is increased by 1. Mrs. Daley has an EDG size of 2.

Mrs. Daley's total countable income, \$1,347.50, is less than 120% FPL, \$1,624, so she is income eligible for the SLMB category.

| Income Budget Calculation | | |
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| Unearned Income | | \$ 1,200.00 |
| Irregular Unearned Income Disregard | + | \$ 0.00 |
| In-Kind Support and Maintenance | + | \$ 0.00 |
| Ineligible Spouse's Deemed Unearned Income | + | \$ 0.00 |
| Ineligible Parent's Deemed Income | + | \$ 0.00 |
| General Deduction (\$20) | - | \$ 20.00 |
| Child Support Disregard | - | \$ 0.00 |
| Widow/Widower Entitlement Disregard | - | N/A |
| DAC Entitlement Disregard | - | N/A |
| COLA Disregard | - | N/A |
| Total Net Unearned Income | = | \$ 1180.00 |
| Self-Employment Income | | \$ 0.00 |
| Earned Income | + | \$ 0.00 |
| Irregular Earned Income Disregard | - | \$ 0.00 |
| Student Earned Income Exclusion | - | \$ 0.00 |
| Ineligible Spouse's Deemed Earned Income | + | \$ 400.00 |

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| Remaining General Deduction | - | \$ 0.00 |
| Earned Income Deduction | - | \$ 65.00 |
| Impairment Related Work Expense | - | \$ 0.00 |
| ½ Deduction | - | \$ 167.50 |
| Blind Work Expense | - | \$ 0.00 |
| Total Net Earned Income | = | \$ 167.50 |
| Total Countable Income (Total Net Unearned Income + Total Net Earned Income) | = | \$ 1,347.50 |
| Qualified Income Trust | - | \$ 0.00 |
| Net Countable Income | | \$ 1,347.50 |
| Income Test Limit | | \$ 1,624.00 |
| Income Test Result | | PASS |
| Patient Liability | | N/A |

The above budget is current as of April 2017.

7. SLMB and TennCare Medicaid Eligibility

Individuals may be eligible for both TennCare Medicaid and SLMB, with the exception of TennCare Standard. Only individuals with “grandfathered status” in TennCare Standard may be eligible for both TennCare Standard and SLMB.

Applicants/enrollees may not receive benefits in more than one Medicare Savings Program.

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| 06.02.2017 | 2.; 6.c. | Policy Statement; Resource Limit | 1-2 | Policy Clarification | RH |
| 01.03.2018 | 2.; 5.a.; 6.c. | Policy Statement; Medicare Part A (Hospital Insurance); Resource Limit | 1-2 | Policy Clarification | AJ |
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